UNITED NATIONS

Framework Convention on Climate Change

Distr.
GENERAL

FCCC/SBSTA/2000/13
19 October 2000

Original: ENGLISH

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE
Thirteenth session, Part II
The Hague, 13-18 November 2000
Agenda item 9 (b)

METHODOLOGICAL ISSUES

GUIDELINES UNDER ARTICLES 5, 7 AND 8 OF THE KYOTO PROTOCOL

Text by the Chairman

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 4	2
A.	Mandate	1 - 2	2
B.	Scope of the note	3	2

Annexes

I.	Possible elements for a draft decision or draft decisions related to Articles 5, 7 and 8 of the Kyoto Protocol	3
II.	Draft guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol	16
III.	Draft guidelines for review under Article 8 of the Kyoto Protocol	32

Elements related to guidelines for national systems under Article 5.1 of the Kyoto Protocol to be incorporated in a draft COP/MOP1 decision

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 5.1 of the Kyoto Protocol, in particular its provision that each Party included in Annex I to the Convention shall have in place, no later than one year prior to the start of the first commitment period, a national system for the estimation of anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol,

Recognizing the importance of such national systems for the implementation of other provisions of the Kyoto Protocol,

Having considered decision (-)/CP.6, adopted by the Conference of the Parties at its sixth session,

1. *Adopts* the guidelines for national systems under Article 5.1 of the Kyoto Protocol;[2]

2. *Urges* Parties included in Annex I to the Convention to implement the guidelines as soon as possible.

---

[2] FCCC/SBSTA/2000/5, annex I.

Elements related to good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol to be incorporated in a draft COP decision

The Conference of the Parties,

Noting Article 5.2 of the Kyoto Protocol,

Recalling its decisions 1/CP.3, 2/CP.3, 1/CP.4 and 8/CP.4,

Recognizing the essential role of high quality greenhouse gas inventories under the Convention and the Kyoto Protocol,

Recognizing the need for confidence in estimates of emissions by sources and removals by sinks for the purpose of ascertaining compliance with commitments under Article 3 of the Kyoto Protocol,

Acknowledging the importance of ensuring that anthropogenic emissions are not underestimated and that removals by sinks and base year emissions are not overestimated,

Having considered the relevant conclusions and recommendations of the Subsidiary Body for Scientific and Technological Advice,[3]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session after the entry into force of the Protocol, adopt the attached draft decision;

2. *Requests* the secretariat to organize a workshop prior to, and one or possibly more workshops after, the fourteenth session of the Subsidiary Body for Scientific and Technological Advice on methodologies for adjustments under Article 5.2 of the Kyoto Protocol with the participation of greenhouse gas inventory experts and other experts nominated to the UNFCCC roster of experts and experts involved in the preparation of the Intergovernmental Panel on Climate Change report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*. The purpose of the first workshop would be to elaborate draft technical guidance on methodologies for adjustments under Article 5.2, building upon submissions by Parties contained in documents FCCC/SBSTA/2000/MISC.1 and Add.1, FCCC/SBSTA/2000/MISC.7 and Add.1[4] as well as FCCC/TP/2000/1, for consideration by the Subsidiary Body for Scientific and Technological Advice at its fourteenth session. At that session, the Subsidiary Body for Scientific and Technological Advice should define more precisely the scope of the second workshop;[5]

3. *Requests* the Subsidiary Body for Scientific and Technological Advice to complete technical guidance on methodologies for adjustments under Article 5.2 of the Kyoto Protocol, building upon the attached draft decision and the outcome of the process described in

---

[3] FCCC/SBSTA/1999/14, paragraph 51 (i); FCCC/SBSTA/2000/5, paragraph 40 (b).

[4] Additional views that may be provided by Parties should also be taken into account.

[5] The organization of the workshops would be subject to availability of funds.

paragraph 2 above, for consideration by the Conference of the Parties at its eighth session, with a view to recommending, at that session, such technical guidance for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session;

4. [*Decides* to consider relevant technical guidance on methodologies for adjustments under Article 5.2 of the Kyoto Protocol for estimates of emissions and removals from land-use, land-use change and forestry after completion of the work of the Intergovernmental Panel on Climate Change on good practice guidance on this matter, with a view to recommending such technical guidance for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session.]

Elements related to good practice guidance and adjustments under Article 5.2 of the Kyoto Protocol to be incorporated in a draft COP/MOP1 decision

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 5.2 of the Kyoto Protocol,

Further recalling decisions 1/CP.3, 2/CP.3, 1/CP.4 and 8/CP.4 of the Conference of the Parties,

Having considered decision (-)/CP.6 adopted by the Conference of the Parties at its sixth session,

1. *Endorses* the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*, as accepted by the sixteenth session of the IPCC held in Montreal, Canada, 1 to 8 May 2000 (hereinafter referred to as the IPCC good practice guidance), as an elaboration of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*;

2. *Decides* that the good practice guidance referred to in paragraph 1 shall be used by Parties included in Annex I to the Convention in their preparation of national greenhouse gas inventories under the Kyoto Protocol;

3. *Decides* that adjustments referred to in Article 5.2 of the Kyoto Protocol should only be applied when inventory data submitted by Parties included in Annex I to the Convention are found to be incomplete and/or are calculated in a way that is not consistent with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance;

4. *Decides* that the calculation of adjustments shall commence only after a Party included in Annex I to the Convention has been provided with opportunities to correct any deficiencies in accordance with the time-frame and procedures set forth in the guidelines for inventory review under Article 8;

5. *Decides* that the adjustment procedure shall result in estimates that are conservative for the Party included in Annex I to the Convention concerned so as to ensure that emissions are not underestimated [and removals by sinks] and base year emissions are not overestimated [and, at the same time, are not unreasonably exaggerated];

6. *Emphasizes* that adjustments are intended to provide an incentive for Parties to provide complete and accurate annual greenhouse gas inventories prepared in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance. Adjustments are intended to correct inventory problems in specific source categories for the purpose of accounting of the Parties' emissions and assigned amounts. Adjustments are not intended to substitute for a Party's obligation to estimate and report greenhouse gas inventories in accordance with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC good practice guidance;

7. *Decides* that adjusted estimates shall be calculated in accordance with the technical guidance on methodologies for adjustments contained in the annex to this decision. Such technical guidance shall ensure consistency and comparability and that similar methods are used for similar problems as far as possible across all inventories reviewed under Article 8 [and to ensure consistency with the base year emission estimates included in the Parties' national inventories];

8. *Decides* that a Party may submit a revised estimate for a part of its [commitment period] inventory to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012. The revised estimate will replace the adjusted estimate subject to review under Article 8 [with the authorization of [the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or compliance committee]]. The option for a Party to submit a revised estimate for a part of its [commitment period] inventory to which an adjustment was previously applied should not prevent Parties from making best efforts to correct the problem at the time it was initially identified and in accordance with the timetable set forth in the guidelines for review under Article 8;

9. [*Decides* that a Party will only be rendered in non-compliance with Article 5.2 if, at any point during the commitment period, the sum of the percent difference for each year between the Party's total emissions according to its adjusted annual inventory and its submitted annual inventory, relative to the submitted inventory, exceeds [30][10][x] per cent, i.e. when $\Sigma((\text{adjusted inventory} - \text{submitted inventory})/(\text{submitted inventory})) > [0.30][0.10][x/100]$].

Annex to this decision

(to be elaborated in accordance with decision -/CP.6, paragraph 3 (above))

Possible elements related to guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol to be incorporated in a draft COP decision

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4, 3/CP.5 and 4/CP.5,

Noting the relevant provisions of the Kyoto Protocol, in particular its Article 7,

Having considered the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation,[6]

Option 1

Recognizing that the reporting requirements on demonstrable progress as referred to in Article 3.2 of the Kyoto Protocol are to be included under guidelines for the preparation of the information under Article 7 of the Kyoto Protocol,

Option 2

Recognizing the role of information submitted under the Kyoto Protocol pursuant to Article 7, in demonstrating the progress of Annex I Parties by 2005 towards meeting their commitments under the Protocol in accordance with their national circumstances,

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the attached draft decision;

(The following two paragraphs may not be necessary. If all sections of the guidelines are completed by the sixth session of the COP, both paragraphs are unnecessary. If only some parts of the guidelines are completed, both paragraphs are necessary)

2. *Endorses* the structure and the elements of the draft guidelines for the preparation of the [supplementary] information required under Article 7 of the Kyoto Protocol as contained in document FCCC/SBSTA/2000/xx;

(It is anticipated that the consideration of most substantive issues related to the sections of the guidelines mentioned in the timetable contained in the annex to this decision will finish during the resumed SBSTA 13 and COP 6. The approach for the completion of the elaboration of the guidelines under Article 7 outlined in paragraph 3 and in the annex to this decision will be followed only in the case that consensus on these substantive issues is not reached in time to allow the finalization of these guidelines by the close of COP 6.)

---

[6] FCCC/SBSTA/2000/xx.

3. *Decides* to complete the elaboration of these draft guidelines in accordance with the timetable contained in the annex to this decision, on the basis of relevant decisions of the Conference of the Parties [and taking into account the elements contained in the appendix to document FCCC/SBSTA/2000/xx];

Option 1

[4. *Invites* Parties to submit their views, by 1 April 2001, on the definition of demonstrable progress in the context of Article 3.2 of the Kyoto Protocol, for compilation in a miscellaneous document to be considered by the Subsidiary Body for Scientific and Technological Advice at its fourteenth session;

5. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider the above-mentioned views, at its fourteenth session, and to elaborate reporting requirements on matters related to Article 3.2, with a view to adoption of a decision on this matter by the Conference of the Parties at its seventh session.]

Option 2

[4. *Invites* Parties to submit their views, by 1 April 2001, on the further elaboration of the guidelines under Article 7 of the Kyoto Protocol, for compilation in a miscellaneous document to be considered by the Subsidiary Body for Scientific and Technological Advice at its fourteenth session;

5. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider the above-mentioned views at its fourteenth session, and to elaborate reporting requirements under Article 7 of the Kyoto Protocol, with a view to adoption of a decision on this matter by the Conference of the Parties at its eighth session.]

Option 3

[4. *Invites* each Annex I Party to submit, in its fourth national communication, the following information to provide it with the basis for reviewing the preparations made by these Parties to meet their commitments under the Kyoto Protocol:

(a) Domestic measures, including legal and institutional steps to prepare to implement Protocol obligations and mitigate greenhouse gas emissions, and programmes for domestic compliance and enforcement;

(b) Trends and projections of its greenhouse gas emissions;

5. *Decides*, if the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol will not meet prior to 31 December 2005, to [assess] [consider], at its scheduled meeting before that date, the progress of each Annex I Party in preparing to meet its commitments under the Kyoto Protocol, on the basis of each Annex I Party's fourth national communication and the information received in accordance with paragraph 4 above;

6. *Decides* to consider the date for the submission of the fourth national communication by Annex I Parties at its seventh session.]

Possible elements related to guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol to be incorporated in a draft COP/MOP1 decision

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 7 of the Kyoto Protocol,

Having considered decision _/CP.6, adopted by the Conference of the Parties at its sixth session,

Recognizing the importance of transparent reporting for facilitating the review process under Article 8 of the Kyoto Protocol,

1. *Adopts* the guidelines for the preparation of information under Article 7 of the Kyoto Protocol;[1]

[2. *Decides* that Parties included in Annex I to the Convention (Annex I Parties), bearing in mind Article 7.3 of the Kyoto Protocol and the needs of the review under Article 8 of the Kyoto Protocol, shall start using these guidelines for:

(a) Reporting of supplementary information under Article 7.1 of the Kyoto Protocol by [*date*];

(b) Reporting of supplementary information under Article 7.2 of the Kyoto Protocol by [*date*];]

3. [*Requests* Annex I Parties to] [*Decides* that each Annex I Party shall] submit to the secretariat by [1 January 2007] the information required by the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol, to enable the establishment of [initial] assigned amounts prior to the first commitment period;

[4. *Requests* the secretariat to make available to the expert review teams operating under Article 8 of the Kyoto Protocol, the information provided by Annex I Parties for the establishment of their [initial] assigned amounts, in order to facilitate the review of this information in accordance with the guidelines under Article 8 of the Kyoto Protocol, as soon as practicable after this information has been submitted by Annex I Parties;]

5. *Requests* the secretariat to record the reviewed [initial] assigned amounts of all Annex I Parties by [*date*], after which date they shall remain fixed for the duration of the commitment period [, unless the Annex I Party, no later than with the 2012 inventory report, provides a revised estimate, which is reviewed under Article 8];

[6. *Recognizes* the importance of the first national communications submitted under the Kyoto Protocol in demonstrating the progress of Annex I Parties [in achieving] [towards meeting] commitments under the Kyoto Protocol;]

---

[1] FCCC/SBSTA/2000/xx.

[7. *Determines* that each Annex I Party [should] [shall] demonstrate progress in a way that is appropriate to its national circumstances [, including for example,] through the institutional and legal steps it has taken to prepare to meet its obligations under the Protocol, [such as] [and]:

(a) A national system for greenhouse gas estimation;

(b) [A national registry for accounting for assigned amount;]

(c) Domestic measures, including legislation, to implement Protocol [obligations] [commitments] and mitigate greenhouse gas emissions; or

(d) Programmes for domestic compliance and enforcement;

(e) [Implementation of its financial and transfer of technology obligations;]

(f) [Programmes and activities on minimizing adverse social, environmental and economic impacts on developing country Parties;]

(g) [Trends and projections of its greenhouse gas emissions.]]

[8. *Decides* that, in this regard, the entirety of each Annex I Party's first national communication submitted under Article 7.2 of the Protocol is relevant for demonstration of progress by that Annex I Party;]

[9. *Decides* that, without prejudice to other requirements adopted under this decision, an Annex I Party will only be considered to be in non-compliance with the [inventory] requirements under Article [7] [7.1] upon determination [by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and compliance committee] that the Annex I Party concerned has:

(a) Failed to submit an inventory of anthropogenic emissions by sources and removals by sinks within 60 days of the submission due-date; or

(b) Failed to include an estimate for a source category (as defined in chapter 7 of the IPCC good practice guidance) that individually accounts for 10 per cent or more of the Annex I Party's total annual emissions, as measured in the most recently reviewed inventory.]

[Annex (*to the COP decision*)
(to be used only in the case that some sections of the guidelines are not completed by the sixth session of the COP)

Tentative timetable for the completion of the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol

Sections of the guidelines	**To be finalized not later than**
[I. REPORTING OF INFORMATION UNDER ARTICLE 7.1]	
[D. Greenhouse gas information (only issues related to Article 3.3 and 3.4)]	[COP[8][9]]
[E. Information on [assigned amount] [ERUs, CERs and [AAUs][PAAs]]][8]	[COP 7]
[[I. Information on Article 3.2]]	[COP[7][8]]
[[J. Information on Article 3.14]]	[COP 7]
[II. REPORTING OF INFORMATION UNDER ARTICLE 7.2]	
[D. National registries]	[COP 7]
[E. [Supplementary information relevant to][Implementation of] Articles 6, 12 and 17]	[COP 7]
[F. Supplementary information relevant to Article 3] [[1. Demonstrable progress in 2005 (Article 3.2)]]	[COP[7][8]]
[F. Supplementary information relevant to Article 3] [[2. Minimization of adverse impacts under Article 3.14]]	[COP 7]
[I Policies and measures in accordance with Article 2]	[COP[7][8]]
[III. MODALITIES FOR ACCOUNTING FOR THE ASSIGNED AMOUNT UNDER ARTICLE 7.4]	[COP 7]]

Note: It is anticipated that the consideration of most substantive issues related to the sections of the guidelines mentioned in the timetable will finish during the resumed SBSTA 13 and COP 6. The approach for the further elaboration of the guidelines under Article 7 outlined in this annex will be followed only in the case that consensus on these substantive issues is not reached in time to allow the finalization of these guidelines by the close of COP 6.

---

[8] Emission reduction units (ERUs), certified emission reductions (CERs), assigned amount units (AAUs), parts of assigned amounts (PAAs).

Possible elements related to guidelines for review under Article 8 of the Kyoto Protocol to be incorporated in a draft COP decision

The Conference of the Parties,

Recalling its decisions 1/CP.3, 1/CP.4, 8/CP.4 and 6/CP.5,

Noting the relevant provisions of the Kyoto Protocol, in particular its Article 8,

[*Recalling* its decisions 6/CP.3 and 11/CP.4 and the usefulness of past compilations and syntheses of national communications.]

Having considered the relevant recommendations of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation,[9]

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session after the entry into force of the Protocol, adopt the attached draft decision ____[CMP.1];

(The following two paragraphs may not be necessary. If all parts of the guidelines are completed by the sixth session of the COP, both paragraphs are unnecessary. If only some parts of the guidelines are completed, both paragraphs are necessary)

[2. *Endorses* parts I [, II][, III][, IV][, V][, VI][, VII] of the guidelines for review under Article 8 of the Kyoto Protocol;]

[3. *Decides* that the elaboration of parts [II][, III][, IV][, V][, VI][, VII] of the guidelines for review under Article 8 of the Kyoto Protocol are to be completed in time for adoption at its [seventh] [eighth] session, taking into account decision __/CP.6 on guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol and other relevant decisions;][10]

4. *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to consider, at their sixteenth sessions, the need for any elaboration of parts I [, II][, III][, IV] of the guidelines for review under Article 8 of the Kyoto Protocol, including detailed time-frames[11] for the interaction between the expert review team and the Annex I Party on the basis of experience gained during the trial period in the use of the guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention and other relevant decisions of the Conference of the Parties at is sixth session; and to forward any draft decision on this issue to the Conference of Parties at its

---

[9] FCCC/SBSTA/2000/xx.

[10] During the informal consultations on Articles 5, 7 and 8 of the Kyoto Protocol (Bonn, 6-8 October 2000), Saudi Arabia provided comments that were incorporated in this version of the guidelines. At the end of the consultations, Saudi Arabia proposed additional textual changes for this paragraph, which are not included in this document but can be found in document FCCC/SBSTA/2000/MISC.7/Add.2.

[11] Time-frames as referred to in paragraphs 56, 57, 67 to 72 and 126 to 131 of the guidelines for review under Article 8 of the Kyoto Protocol (see annex III to this document).

eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session;

(The following paragraph is an alternative to paragraphs 2 to 5 of the possible elements for the COP/MOP decision related to Article 8 below. Parties should decide on the approach to be followed in relation to the timing of the use of these guidelines)

5. [*Requests* the Subsidiary Body for Implementation, at its sixteenth session, to prepare a draft decision on the start dates for review under Article 8 of the Kyoto Protocol, for consideration by the Conference of the Parties at its eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session;]

6. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider, at its sixteenth session, *inter alia*, the composition, criteria for selection, responsibilities and operational arrangements of the standing group of review experts, as well as the relationship that may exist between such a group and expert review teams and to forward any draft decision on this issue to the Conference of Parties at its eighth session, with a view to recommending it for adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its first session.

Possible elements related to guidelines for review under Article 8 of the Kyoto Protocol to be incorporated in a draft COP/MOP1 decision

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Article 8 of the Kyoto Protocol,

Having considered decision _/CP.6, adopted by the Conference of the Parties at its sixth session,

Recognizing the importance of the review process under Article 8 for the implementation of other provisions of the Kyoto Protocol,

1. *Adopts* the guidelines for review under Article 8 of the Kyoto Protocol;[12]

(The following paragraphs are an alternative to paragraph 5 of the possible elements for the COP decision related to Article 8 above. Parties should decide on the approach to be followed in relation to the timing for the use of these guidelines)

2. [*Decides* to start the review prior to the commitment period for each Annex I Party in [2005][2006][2007] [or earlier if an Annex I Party requests to be reviewed]. The reviews of information under Article 7 prior to the first commitment period, including procedures for adjustments, should be completed for each Annex I Party by the end of 2007;]

---

[12] FCCC/SBSTA/2000/xx.

3. [*Decides* to start the periodic review for each Annex I Party in the year it submits its first national communication under the Kyoto Protocol;]

4. [*Decides* to start the annual review [in the year following the review prior to the commitment period for that Party [. However, emission information shall not be compiled until the inventory for the year 2008 is available]][for each Annex I Party in 2010, that is, after the submission of the inventory of the first year of the first commitment period or earlier if an Annex I Party requests to be reviewed];]

5. [*Decides* to start the annual compilation and accounting of emissions inventories and assigned amounts for each Annex I Party [after its individual inventory and assigned amount reviews are complete and after resolution of any compliance-related matters which affect the inventory and assigned amounts][in the year that Party undergoes review prior to the commitment period].]

Annex II

DRAFT GUIDELINES FOR THE PREPARATION OF THE INFORMATION REQUIRED UNDER ARTICLE 7 OF THE KYOTO PROTOCOL

I. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.1[1]

A. Applicability

1. [The application of these provisions is mandatory for each Party included in Annex I to the Convention (Annex I Party), which is also a Party to the Kyoto Protocol [(including regional economic integration organizations and their member States)], except for provisions expressed in non-mandatory language.][2]

B. Structure

2. Each Annex I Party shall include the necessary supplementary information [required by these guidelines] in its annual inventory [of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol, prepared in accordance with Article 5.2 and decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP),] taking into account any relevant decisions of the Conference of the Parties (COP). An Annex I Party need not separately submit an inventory under Article 12.1(a) of the Convention.[3]

C. Objectives

3. The objectives of these guidelines are:

(a) To enable Annex I Parties to meet their commitments for reporting information in accordance with Article 7.1;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Annex I Parties;

(c) *Option 1*: To ensure that the [COP/MOP and the compliance committee] have the information necessary to carry out their assigned functions and to take decisions on any matter required for the implementation of the Kyoto Protocol by Annex I Parties;

Option 2: To provide the [COP/MOP and the compliance committee] with information on the implementation of the Kyoto Protocol by Annex I Parties;

---

[1] Unless specified otherwise, all articles referred to in these guidelines are those of the Kyoto Protocol. For the sake of brevity, the Kyoto Protocol is not specified after each article.

[2] In these guidelines, Annex I Party refers to a Party included in Annex I to the Convention which is also a Party to the Kyoto Protocol.

[3] During the informal consultations on Articles 5, 7 and 8 of the Kyoto Protocol (Bonn, 6-8 October 2000), Saudi Arabia provided comments that were incorporated in this version of the guidelines. At the end of the consultations, Saudi Arabia proposed additional textual changes for this paragraph, which are not included in this document but can be found in document FCCC/SBSTA/2000/MISC.7/Add.2.

(d) [To facilitate the review of inventories and assigned amounts of Annex I Parties under Article 8.]

D. Greenhouse gas inventory information

4. [Each Annex I Party shall include in its [annual] greenhouse gas inventory information on the estimation of emissions and removals from land-use, land-use change and forestry relevant to Article 3.3 and 3.4, in accordance with any guidelines, rules and modalities that may be adopted by the COP/MOP. These estimates shall be clearly distinguished from other parts of the inventory.] [4]

(Reporting issues related to Article 3.3 and 3.4 will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to Article 3.3 and 3.4, and taking into account the COP decision on land-use, land-use change and forestry and any relevant provisions of the decision to be recommended to the COP/MOP.)

5. [If (an) adjustment(s) has (have) occurred during the previous year, the Annex I Party concerned shall report which inventory data were adjusted and reference the individual inventory review report.] [The Annex I Party shall report on steps taken to improve estimates from previously adjusted sources.]

E. Information on [assigned amount] [ERUs, CERs and [AAUs] [PAAs]] [5]

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to Articles 6, 12 and 17, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

F. National systems in accordance with Article 5.1

6. Each Annex I Party shall include in its national inventory report information on any changes that have occurred in its national system, compared to information reported in its last submission, including information submitted in accordance with paragraphs 14-15 of these guidelines.

G. National registries

7. Each Annex I Party shall include in its national inventory report information on any changes that have occurred in its national registry, compared to information reported in its last submission, including information submitted in accordance with paragraph(s) xx-yy of these guidelines.

---

[4] See footnote 3.

[5] Emission reduction units (ERUs), certified emission reductions (CERs), assigned amount units (AAUs), parts of assigned amount (PAAs).

[H. Compliance]

(Reporting issues, if any, related to compliance will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to compliance, and taking into account the COP decision on procedures and mechanisms relating to compliance under the Kyoto Protocol and any relevant provisions of the decision to be recommended to the COP/MOP.)

[I. Information on Article 3.2]

[J. Information on Article 3.14]

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the considerations of one or more elements of issues pursuant to Article 3.14, and taking into account the COP decision on matters relating to Article 3.14 of the Kyoto Protocol and any relevant provisions of the decision(s) to be recommended to the COP/MOP.)

II. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.2

A. Applicability

8. [The application of these provisions is mandatory for each Annex I Party [(including regional economic integration organizations and their member States)], except for provisions expressed in non-mandatory language.]

B. Structure

9. Each Annex I Party shall include the necessary supplementary information [required under these guidelines] [for implementation of the different provisions of the Kyoto Protocol], in accordance with the time-frames for the obligations established by the Protocol, in its national communication submitted under Article 12 of the Convention and in accordance with the relevant decisions of the COP [and the COP/MOP].[6]

C. Objectives

10. The objectives of these guidelines are:

(a) To enable Annex I Parties to meet their commitments for reporting information in accordance with Article 7.2;

(b) To promote the reporting of consistent, transparent, comparable, accurate and complete information by Annex I Parties;

---

[6] See footnote 3.

(c) *Option 1*: To ensure that [the COP/MOP and the compliance committee] have the information necessary to carry out their assigned functions and to take decisions on any matter required for the implementation of the Kyoto Protocol by Annex I Parties;

Option 2: To provide [the COP/MOP and the compliance committee] with information on the implementation of the Kyoto Protocol by Annex I Parties;

(d) [To facilitate the review of implementation under Article 8.]

D. National registries

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to national registries, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

E. [Supplementary information relevant to][Implementation of] Articles 6, 12 and 17

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to national registries, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

F. Supplementary information relevant to Article 3

[1. Demonstrable progress in 2005 (Article 3.2)

(The issue of demonstrable progress is also addressed in the possible elements related to guidelines for the preparation of the information required under Article 7 to be incorporated in draft COP and COP/MOP decision(s) contained in annex 1 to this document.)

11. Each Annex I Party shall provide, in all relevant sections of its fourth national communication, information to demonstrate what and how progress has been made in achieving its commitments under the Kyoto Protocol. (*Specific guidelines to be drafted later.*)

12. Each Annex I Party shall provide information on all steps it has taken and anticipates taking to comply with its commitment contained in Article 3.2 of the Protocol, including a detailed explanation as to why the Annex I Party believes, with respect to each of its separate commitments contained in the Protocol, that the described steps do or do not constitute "demonstrable progress in achieving" each such commitment.]

[2. Minimization of adverse impacts under Article 3.14]

(Reporting issues related to Article 3.14 will be considered at a later stage taking into account COP decision(s) on matters related to Article 3.14 of the Kyoto Protocol and any relevant provisions of the decision(s) to be recommended to the COP/MOP.)

[G. Joint fulfilment of commitments in accordance with Article 4

13. A regional economic integration organization that becomes a Party to this Protocol pursuant to Article 24.1 shall include in its national communication information on the implementation of:

(a) Any measures aimed at enforcing the respective emission levels of members set forth in an agreement under Article 4 to fulfil their commitments under Article 3 jointly;

(b) The respective roles and responsibilities of the regional economic integration organization and its member States with respect to their participation in the Kyoto mechanisms;

(c) Measures taken to ensure the consistency of inventory and assigned amount information gathered and reported by the regional economic integration organization and by its member States.]

H. National systems in accordance with Article 5.1

14. Each Annex I Party shall provide a description of how it is performing the general and specific functions defined in the guidelines for national systems under Article 5.1. The description shall contain the following elements:

(a) The name and contact information for the national entity and its designated representative(s) with overall responsibility for the national inventory of the Annex I Party;

(b) The roles and responsibilities of various agencies and entities in relation to the inventory development process, as well as the institutional, legal and procedural arrangements made to prepare the inventory;

(c) A description of the process for collecting activity data, for selecting emission factors and methods, and for the development of emission estimates;

(d) A description of the process and the results of key source identification and, where relevant, archiving of test data;

(e) A description of the process for the recalculation of previously submitted inventory data;

(f) A description of the quality assurance and quality control plan, its implementation and the quality objectives established, and information on internal and external evaluation and review processes and their results in accordance with the guidelines for national systems;

(g) A description of the procedures for the official consideration and approval of the inventory.

15. If the Annex I Party has not performed all functions [, except for those expressed in non-mandatory language,] defined in the guidelines for national systems under Article 5.1, then the Annex I Party shall provide an explanation of which functions were not performed or were only partially performed and information on the actions planned or taken to perform these functions in the future.

I. Policies and measures in accordance with Article 2

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to policies and measures, and taking into account the COP decision on "best practices" or "good practices" in policies and measures among Parties included in Annex I to the Convention and COP decision(s) on implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol) and any relevant provisions of the decision(s) to be recommended to the COP/MOP.)

[1. Article 2.1]

[2. Article 2.2]

[3. Article 2.3]

J. Domestic [programmes] [legislative arrangements and enforcement and administrative procedures]

16. Each Annex I Party shall report any relevant information on its domestic legislative arrangements and enforcement and administrative procedures, according to its national circumstances. This information shall include:

(a) A description of the domestic legislative arrangements and enforcement and administrative procedures an Annex I Party has in place to meet its commitments under Articles [2], [3] [3.1], [4,] 6, 12 and 17 of the Kyoto Protocol, including the legal authority for such programmes, how they are implemented [, and what resources are devoted to implementation];

(b) A description of the effectiveness of the above legislative arrangements and enforcement and administrative procedures, including a summary of action taken to identify, prevent, address, and enforce cases of non-compliance with domestic law;

(c) A description of how information related to legislative arrangements and enforcement and administrative procedures (e.g. rules on enforcement and administrative procedures, action taken) is made public.

[K. Information under Article 10

17. *Option 1*: Each Annex I Party shall provide information on what and how technologies have been transferred by developed country Parties under Article 10 of the Protocol. (*A uniform reporting format could be designed for this purpose.*)

Option 2: In providing information under part II, section VIII of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Annex I Party shall provide information on programmes and activities carried out pursuant to Article 10 [(c) and (e)].]

[L. Information under Article 11

Option 1

18. Each Annex I Party shall provide information on the implementation of Article 11 of the Kyoto Protocol, in particular, information on how the additional financial resources have been provided. (*A uniform reporting format could be designed for this purpose.*)

19. Each Annex I Party shall provide information on the annual contributions made by the Annex I Party to each of the funds established by the Conference of the Parties with respect to Article 4.3, 4.5, 4.8 and 4.9 of the Convention and to each of the funds established by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol with respect to Articles 2.3, 3.14 and 12 of the Protocol, showing the date of each contribution since establishment of each fund.

Option 2

20. In providing information under part II, section VIII of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Annex I Party shall provide information on measures taken pursuant to Article 11.]

III. MODALITIES FOR ACCOUNTING FOR ASSIGNED AMOUNT UNDER ARTICLE 7.4

A. Establishment of [initial] assigned amount

21. [Each Annex I Party [, including each Annex I Party operating under Article 4,] [in its first national communication under the Kyoto Protocol] shall [individually] establish its [initial] assigned amount in accordance with Article 3.7 and 3.8. To this end, each Annex I Party shall:

(a) Calculate its [initial] assigned amount using its base year(s) inventory estimates prepared in accordance with Article 5.2;

(b) Issue serial numbers for its entire [initial] assigned amount in accordance with registry requirements in [ ]].

22. Each Annex I Party [, including [those][each Annex I Party] operating under Article 4,] shall individually submit to the secretariat a report to establish its [initial] assigned amount and to demonstrate its capacity to account for its emissions and assigned amount during the commitment period. This report shall include the following information:

(a) A greenhouse gas inventory and national inventory report containing complete inventories for all years from 1990, or other approved base year under Article 3.5, to the most recent year available [, including emissions and removals from [land-use,] land-use change and forestry, in accordance with paragraph 2 of these guidelines];

(b) Identification of its selected base year [for HFCs, PFCs and SF_6] [for HFCs, its selected base year for PFCs and its selected base year for SF_6] under Article 3.8;

(c) Calculation of its [initial] assigned amount, pursuant to Article 3.7 and 3.8;

(d) Serial numbers for its entire [initial] assigned amount, in accordance with relevant decisions of the COP/MOP;

(e) A description of its national system for greenhouse gas estimation reported in accordance with paragraphs 14-15 of these guidelines;

(f) [A description of its national registry for tracking its assigned amount reported in accordance with paragraphs xx-yy of these guidelines.]

23. [Any Annex I Party operating under Article 4 of the Protocol shall report the serial numbers of [initial] assigned amounts that it has transferred or acquired pursuant to its Article 4 arrangement, and identify each acquiring or transferring Annex I Party.]

24. [After Article 8 review, and resolution of any questions of implementation relating to adjustments or assigned amount by [the enforcement branch of] the compliance committee,] the [initial] assigned amount of each Annex I Party, calculated pursuant to Article 3.7, shall be recorded in the secretariat's database for accounting for emissions and assigned amount. Once the [initial] assigned amount is recorded, it shall remain fixed for the duration of the commitment period[, unless the Annex I Party provides, no later than in the 2012 inventory report, a revised estimate, which is reviewed under Article 8.]

B. National registry requirements

(Modalities and any reporting issues related to national registries will be elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to national registries, and taking into account the COP decisions on the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

[C. Issuance and cancellation[7] of assigned amounts related to Article 3.3 and 3.4]

(See appendix for elements that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included under this section and will be further elaborated immediately upon finalization of the consideration of one or more elements of issues pursuant to the issuance and cancellation of assigned amounts related to Article 3.3 and 3.4, and taking into account the COP decisions on land-use, land-use change and forestry and the mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol and any relevant provisions of the decisions to be recommended to the COP/MOP.)

[D. Retirement and [carry-over] [banking] of assigned amount

25. Each Annex I Party may, at any time during a commitment period, set aside ('retire') assigned amount to be used for meeting its Article 3.1 commitment. Any assigned amount retired by an Annex I Party shall not be subsequently transferred.

26. Prior to the expiration of the 'true-up' period, each Annex I Party shall retire assigned amount, from the current or previous commitment period(s), equivalent to its total aggregate emissions during the period from sources listed in Annex A to the Kyoto Protocol, estimated in accordance with Article 5.2.]

IV. LANGUAGE

27. The information reported in accordance with these guidelines shall be submitted in one of the official languages of the United Nations. Annex I Parties are encouraged to submit a translation of the information under Article 7.1 in English, in order to facilitate the annual review of the inventory information under Article 8.

V. UPDATING

28. These guidelines shall be reviewed and revised, as appropriate, [by consensus,] in accordance with decisions of the COP/MOP, taking into account any relevant decisions of the COP.

---

[7] In relation to Article 3.3, decision 9/CP.4 (FCCC/CP/1998/16/Add.1) refers to addition to, or subtraction from, a Party's assigned amount. Article 3.4 also refers to adding to, or subtracting from, a Party's assigned amount.

Appendix

This appendix contains elements of information to be reported under Article 7 of the Kyoto Protocol that were considered during the first part of the thirteenth session of the SBSTA. These elements will be included in the appropriate sections of the guidelines and will be further elaborated immediately after finalization of the consideration of one or more elements of issues pursuant to Articles 2, 3.3, 3.4, 3.14, 6, 12 and 17 by the resumed thirteenth session of the SBSTA and the sixth session of the COP, and taking into account relevant COP decisions and the provisions of draft decisions to be recommended to the COP/MOP.

I. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.1

E. Information on [assigned amount] [ERUs, CERs and [AAUs] [PAAs]]

1. [Each Annex I Party shall report, in a standard format, the following information relevant to a given commitment period:

(a) Total quantity of ERUs, CERs and [AAUs] [PAAs] in its registry at the beginning of the previous calendar year;[9]

(b) Total quantity of [AAUs] [PAAs] issued into its registry[, including those in accordance with Article 3.3 or 3.4] by the Annex I Party during the previous calendar year;

(c) Total quantity of ERUs and [AAUs] [PAAs] acquired during the previous calendar year, identifying each transferring Annex I Party;

(d) Total quantity of CERs acquired during the previous calendar year, identifying each transferring Party, including CERs acquired in accordance with Article 12.10 from [2000 up to and including the previous calendar year, if not previously reported] [2008 or else from when a Party acquires CERs];

(e) Total quantity of ERUs[, CERs] and [AAUs] [PAAs] transferred during the previous calendar year, identifying each acquiring Party and indicating initial transfers of ERUs;

(f) Total quantity of ERUs, CERs and [AAUs] [PAAs] retired during the previous calendar year;

(g) Total quantity of ERUs, CERs and [AAUs] [PAAs] cancelled during the previous calendar year;

(h) Total quantity of ERUs, CERs and [AAUs] [PAAs] in its registry at the end of the previous calendar year [, excluding ERUs, CERs and [AAUs] [PAAs] in retirement or cancellation accounts].

2. Each Annex I Party shall annually transmit from its registry to the secretariat, in a standard electronic format, the serial numbers of all ERUs, CERs and [AAUs] [PAAs] identified in paragraph 1 (b)-(h) above.

---

[9] Defined as the calendar year according to Universal Time (Greenwich Mean Time).

3. Upon expiration of the 'true-up period' after each commitment period, each Annex I Party shall report, in a standard format, the following information:

(a) Total quantity of all ERUs, CERs and [AAUs] [PAAs] acquired during the true-up period and identification of each transferring Party;

(b) Total quantity of all ERUs, CERs and [AAUs] [PAAs] transferred during the true-up period and identification of each acquiring Party;

(c) The quantity of all ERUs, CERs and [AAUs] [PAAs] in [its] retirement and cancellation accounts;

(d) The quantity of any [ERUs, CERs and] [AAUs] [PAAs] which the Annex I Party requests to be added to its assigned amount for subsequent commitment periods in accordance with Article 3.13;

(e) [Aggregate greenhouse gas emissions for all years of the first commitment period, and all adjustments applied during the first commitment period, if any;]

(f) *[(Information – on supplementarity under Articles [4], 6 and 17.)]*

4. Upon expiration of the 'true-up period' after each commitment period, each Annex I Party shall transmit from its registry to the secretariat, in a standard electronic format, the serial numbers of all ERUs, CERs and [AAUs] [PAAs] identified in paragraph 3 (a)-(d) above.

5. [Each Annex I Party shall provide the uniform resource locator (URL) on the Internet from which information on projects having generated ERUs or CERs during the relevant year is available. Likewise, it shall provide the uniform resource locator from which up-to-date information may be found on entities which are authorized by the Annex I Party to participate in the mechanisms pursuant to Articles 6, 12 or 17.]

6. [Each Annex I Party shall, prior to the first commitment period, [report] [transmit] to the secretariat in a standard format the quantity of [AAUs] [PAAs] [and CERs] designated as its commitment period reserve in accordance with the procedures set out in (*cross reference to the decision(s) on mechanisms*).]

7. [Each Annex I Party shall annually [report] [transmit] to the secretariat in a standard format any adjustments to its commitment period reserve made in accordance with the procedures set out in (*cross reference to the decision(s) on mechanisms*).]

8. [Each Annex I Party shall report its current, best estimates of:

(a) The total amount of greenhouse gas emissions (expressed in tonnes of carbon dioxide equivalent) that the Annex I Party will be required to reduce, avoid or sequester during the first commitment period set forth in Article 3.7 of the Protocol, without taking into account net acquisitions of ERUs, CERs, or [AAUs] [(PAAs)], in order to comply with its quantified emission limitation and reduction commitment under Article 3 of the Protocol;

(b) The amounts of ERUs, CERs, and [AAUs] [PAAs], individually and in aggregate, that the Annex I Party expects to acquire (net of transfers by the Annex I Party) during each year of the first commitment period.

(c) The estimates and other information required by sub-paragraphs (a) and (b) above shall be accompanied by disclosure of the principal assumptions and the methodologies used by the Annex I Party in developing all of the estimates and other information, which shall be sufficiently detailed to enable a clear understanding of the basis for the estimates and other information.]

(The information in the paragraphs below is expected to be publicly available from the registry)

9. [Amount of [AAUs] [PAAs] allocated to legal entities resident in the Annex I Party, with breakdown by entity, at the beginning and at the end of the calendar year.]

10. Project numbers linked to detailed information on clean development mechanism (CDM) projects.

11. [Summary information on the acquisition of CERs from CDM projects under Article 12, which may include the descriptions of project names, scales, sites and participants, the process of CER generation, the amount of CERs acquired, and how the funds for CDM are additional.]

12. [Summary information on the acquisition and transfer of ERUs from projects under Article 6 of the Kyoto Protocol, which may include the descriptions of project names, scales, project sites, participants, the process of ERU generation, and the amount of ERUs acquired and transferred.]

13. [Summary information on acquisitions and transfers under Article 17 of the Kyoto Protocol, which may include the descriptions of the process of acquisition and transfer.]]

[J. Information on Article 3.14

Option 1

14. All steps taken by the Annex I Party to comply with its commitments contained in Article 3.14 of the Protocol, including steps taken to remove subsidies and other market distortions and tax restructuring to reflect the greenhouse gas content of the emitting sources, and detailed information describing how and the extent to which each such step contributed to minimizing the adverse effects and impacts referred to in that article and in the information provided pursuant to paragraph xx.

15. The Annex I Party's current, best estimate, expressed qualitatively and quantitatively, of the effects of its policies and measures undertaken pursuant to Article 2.1 and 2.2 of the Protocol and otherwise undertaken to achieve its quantified emission limitation and reduction commitment under Article 3.1 of the Protocol on developing countries and in particular those identified in Article 4.8 and 4.9 of the Convention, including the Annex I Party's best quantitative estimates of the effects of those policies and measures on such developing countries with respect to:

(a) The unit quantity and monetary amount of raw materials, fuels and finished goods exported to the Annex I Party by developing country Parties in each year during the period 2000 through 2012 [and thereafter];

(b) The prices of raw materials, fuels and finished goods imported from the Annex I Party by developing country Parties in each year during the period 2000 through 2012 [and thereafter];

(c) The interest rates and the total interest payable by developing country Parties to the Annex I Party and its legal entities on the external debt of developing country Parties during the period 2000 through 2012 [and thereafter];

(d) The estimates and other information required by sub-paragraphs (a)-(c) above shall be accompanied by disclosure of the principal assumptions and the methodologies used by the Annex I Party in developing all of the estimates and other information, which shall be sufficiently detailed to enable a clear understanding of the basis for the estimates and other information.

Option 2

16. Subsequent to the development by the COP/MOP of methodologies and case studies for assessing the impacts of climate change and after a formal demonstration by developing countries of the harm resulting from the impacts of these response measures and after assessment of the effects of the harm from these response measures, Annex I Parties will provide information pertaining to Article 3.14.]

II. REPORTING OF SUPPLEMENTARY INFORMATION UNDER ARTICLE 7.2

D. National registries

17. [Each Annex I Party shall provide a description of its national registry. The description shall include the following information:

(a) The name and contact information for the designated representative responsible for the Annex I Party's national registry;

(b) A description of the database structure used in the Annex I Party's national registry;

(c) A list of and the electronic format of the information transmitted electronically from the Annex I Party's national registry to an acquiring Annex I Party's national registry when transferring assigned amount;

(d) A list of and the electronic format of the information that would be transmitted electronically from the Annex I Party's national registry to the independent transaction log when issuing, transferring, acquiring, retiring and cancelling assigned amount;

(e) An explanation of the procedures employed in the Annex I Party's national registry to prevent discrepancies in the transfer, acquisition, and retirement of assigned amount;

(f) An overview of security measures employed in the Annex I Party's national registry to deter computer attacks and minimize operator error;

(g) A list of publicly accessible data elements available through the electronic interface (e.g. World Wide Web site) to the Annex I Party's national registry;

(h) An explanation of how to access information through the electronic interface to the Annex I Party's national registry.]

E. [Supplementary information relevant to][Implementation of] Articles 6, 12 and 17

18. Each Annex I Party that participates in Kyoto Protocol mechanisms under Articles 6, 12 or 17 shall report:

(a) A description of any institutional arrangements and decision-making procedures that it has in place to coordinate activities related to participation in the mechanism(s), including the participation of legal entities;

(b) [General information on projects under Article 6 (summarizing detailed information on each project as publicly available on the Internet);

(c) Information on how its project activities under Article 12 have assisted Parties not included in Annex I to the Convention in achieving sustainable development and in contributing to the ultimate objective of the Convention (*reference should be made to reports issued by the non-Annex I Parties hosting projects*);

(d) Information on names and contact details of legal entities, within the jurisdiction of the Annex I Party, that are (or have been) authorized to participate in mechanisms under any of Articles 6, 12 and 17;

(e) Estimates of the expected contribution that each mechanism will allow towards compliance with the Annex I Party's quantified emission limitation and reduction commitment under Article 3.]

F. Supplementary information relevant to Article 3

[2. Minimization of adverse impacts under Article 3.14][9]

I. Policies and measures in accordance with Article 2

[1. Article 2.1]

19. [In providing information under part II, section V, of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (FCCC/CP/1999/7), each Annex I Party shall specifically address policies and measures implemented and/or further elaborated in order to [reduce or limit emissions of greenhouse gases not controlled by the Montreal Protocol] [meet its commitments under the Kyoto Protocol].]

---

[9] See footnote 3.

20. [Information on the implementation of Article 2 of the Kyoto Protocol, in particular information on national policies and measures to mitigate climate change such as: energy efficiency improvement, development of new and renewable energy.]

21. [In addition, it shall identify steps taken to cooperate with other Parties to enhance the individual and combined effectiveness of their above-mentioned policies and measures pursuant to Article 4.2(e)(i) of the Convention.]

[2. Article 2.2]

22. [With respect to the transport sector, each Annex I Party shall identify which steps it has taken through the International Civil Aviation Organization and the International Maritime Organization in order to limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels.]

[3. Article 2.3]

23. [Information on the implementation of Article 2.3 of the Kyoto Protocol, in particular the information related to national policies and measures to minimize the adverse effects on international trade, and social environmental and economical impacts on other Parties, especially developing country Parties.]

III. MODALITIES FOR ACCOUNTING FOR ASSIGNED AMOUNT UNDER ARTICLE 7.4

[C. Issuance and cancellation[10] of assigned amounts related to Article 3.3 and 3.4

Option 1

24. An Annex I Party shall only issue or cancel an assigned amount in its national registry, in relation to Article 3.3 and 3.4, after review of the inventory information submitted under Article 7.1 in accordance with the guidelines for inventory review under Article 8 and the resolution of any questions of implementation regarding the inventory information reported in relation to Article 3.3 and 3.4.

25. An assigned amount issued by the Annex I Party in accordance with paragraph 24 above shall match the inventory estimate in relation to Article 3.3 and 3.4, including any adjustments applied to the estimate.

26. Where an Annex I Party fails to meet the requirements of Articles 5.2 and 7.1 for the preparation and reporting of inventory estimates in relation to Article 3.3 and 3.4, then they shall not issue any assigned amount for such estimates until the Annex I Party has been determined to have met the requirements of Articles 5.2 and 7.1.

---

[10] In relation to Article 3.3, decision 9/CP.4 (FCCC/CP/1998/16/Add.1) refers to addition to, or subtraction from, a Party's assigned amount. Article 3.4 also refers to adding to, or subtracting from, a Party's assigned amount.

Option 2

27. An Annex I Party shall calculate net emissions/removals under Article 3.3 (and Article 3.4, if it chooses to apply Article 3.4 activities for the first commitment period) in accordance with decisions thereunder and Article 5.2. If an Annex I Party chooses to apply Article 3.4 activities for the first commitment period, it shall calculate estimates and removals under Article 3.3 and 3.4 together, and over the same period(s).

28. An Annex I Party may issue assigned amount equivalent to net removals under Article 3.3 (and Article 3.4, if applicable) estimated in accordance with Article 5.2 at any time prior to expiration of the true-up period upon notification to the secretariat that, following Article 8 inventory review, the compliance committee's enforcement branch is not proceeding with any question of implementation related to Article 3.3 estimates (or Article 3.4 estimates, if applicable).

29. In the case where the enforcement branch proceeds with a question of implementation, the Annex I Party may issue assigned amount following resolution of the question, unless the enforcement branch finds that the Annex I Party has not met the requirements under Articles 5.2 and 7.1 pertaining to Article 3.3 estimates; in the case where the enforcement branch finds that an Annex I Party has not met the requirements pertaining to Article 3.4, the Annex I Party may nevertheless issue assigned amount under Article 3.3. Removals from the Article 3.4 activity(ies) for which the Annex I Party has not met requirements shall not be included in the calculation of net removals.[11]

30. Assigned amount equivalent to net emissions under paragraph 27 shall be cancelled by the Annex I Party, prior to expiration of the true-up period. Any assigned amount cancelled shall not be subsequently transferred or retired.]

---

[11] In this case, an issue arises as to whether estimates of removals from other Article 3.4 activities should be included, provided that the Party has met requirements for those activities.

Annex III

DRAFT GUIDELINES FOR REVIEW UNDER ARTICLE 8 OF THE KYOTO PROTOCOL

PART I: GENERAL APPROACH TO REVIEW

A. Applicability

1. Each Annex I Party to the Convention which is also a Party to the Protocol will be subject to review of information submitted under Article 7 in accordance with the provisions of these guidelines. For these Parties, the review process established under these guidelines shall [encompass and take the place of][be supplemental to] any existing review under the Convention [and shall satisfy any requirements with respect to review under the Convention].[1, 2]

B. Objectives

2. The objectives for review under Article 8 of the Kyoto Protocol are:

(a) To establish a process for a thorough, objective[3] and comprehensive technical assessment of all aspects of the implementation of the Kyoto Protocol by Annex I Parties[4];

(b) To promote consistency and transparency in the review of information submitted by Annex I Parties under Article 7 of the Kyoto Protocol;

(c) To assist Annex I Parties in improving their reporting of information under Article 7 and the implementation of their commitments under the Protocol;

(d) *Option 1*: To ensure that [the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) and the compliance committee][5] have the information necessary to carry out their assigned functions and to take decisions on any matter required for the implementation of the Kyoto Protocol by Annex I Parties;

---

[1] During the informal consultations on Articles 5, 7 and 8 of the Kyoto Protocol (Bonn, 6-8 October 2000), Saudi Arabia provided comments that were incorporated in this version of the guidelines. At the end of the consultations, Saudi Arabia proposed additional textual changes for this paragraph, which are not included in this document but can be found in document FCCC/SBSTA/2000/MISC.7/Add.2.

[2] Separate guidelines for review under the Convention could be developed. The Subsidiary Body for Implementation (SBI), at its twelfth session, concluded that it would consider at its fourteenth session the issue of developing guidelines for the review of national communications of Annex I Parties under the Convention, including the options described in document FCCC/SBI/2000/3, and that its considerations at that session should also take into account the guidelines to be developed for the review of national communications under Article 8 of the Kyoto Protocol (UNFCCC/SBI/2000/5, para. 24 (c).

[3] See footnote 1.

[4] For the remainder of this document, unless otherwise stated, "Annex I Parties" refers to Annex I Parties to the Convention which are also Parties to the Protocol.

[5] The term "the COP/MOP and the compliance committee" is used throughout this text without prejudice to the decisions to be made by the compliance group.

Option 2: To provide [the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) and the compliance committee] with information on the implementation of the Kyoto Protocol by Annex I Parties.

C. General approach

3. The provisions of these guidelines shall apply to the review of information submitted by Annex I Parties under Article 7 and relevant decisions of the Conference of the Parties (COP) specific to Annex I Parties.

Role of the expert review team

4. The expert review team shall provide a thorough and comprehensive technical assessment of all aspects of the implementation by a Party of the Kyoto Protocol and identify any potential problems in, and factors influencing, the fulfilment of commitments. The expert review team shall conduct technical reviews to provide information and assessment to [the COP/MOP and the compliance committee] in accordance with the procedures in these guidelines.

5. At any stage in the review process, expert review teams may provide questions to, or request additional or clarifying information from, the Annex I Parties regarding a potential problem identified by the team. The expert review team shall make every reasonable effort to provide advice to Annex i Parties on how to correct problems that they identify, taking into account the national circumstances of the Annex I Party. [The expert review team shall also provide, upon request, advice to [the COP/MOP or the compliance committee] on facilitation to correct problems.]

6. The expert review team shall, under its collective responsibility, produce review reports.

Role of Annex I Parties

7. Annex I Parties [shall][should] provide the expert review team with access to information necessary to substantiate and clarify the implementation of their commitments under the Kyoto Protocol, in accordance with relevant guidelines adopted by the COP and/or the COP/MOP and, during the in-country visits, should also provide appropriate working facilities. Annex I Parties [shall][should] make every reasonable effort to respond to all requests from the expert review team for additional clarifying information and correct identified problems as soon as possible, but at least within the time limits set out in these guidelines.

Questions of implementation

8. During the review the expert review team shall identify potential problems and shall provide questions to the Annex I Party regarding these potential problems identified by the team and provide advice to the Annex I Party on how to correct those potential problems. The Annex I Party may correct the problems or provide additional information within the time-frame set out in these guidelines.

9. Subsequently, a draft of each review report shall be forwarded to the Annex I Party subject to review for comment. The expert review team shall produce the final review reports taking into account the Party's comments.

10. Only in the case that an unresolved problem [pertaining to a mandatory aspect], still exists after the Annex I Party has been provided opportunities to correct the problem in accordance with the relevant review procedures shall that problem be considered a question of implementation in the final review reports.

Time-frames

11. There shall be fixed time-frames for:

(a) Reviews during the pre-commitment period, annual reviews and periodic reviews for each Annex I Party as set out in parts II to VII of these guidelines;

(b) Each stage of a review, including preparation of a draft reports by the expert review teams, comments by the Annex I Parties, and preparation of final reports, in the pre-commitment period review, annual review and periodic review for each Annex I Party, as set out in parts II to VII of these guidelines;

(c) Annex I Parties to respond to questions raised or requests for additional information during the reviews as set out in parts II to VII of these guidelines.

Confidentiality[6]

12. Where necessary, Annex I Parties may protect commercially sensitive or confidential business or military information but should provide the legal basis for the protection of data. If aggregated inventory data are provided, they shall be provided in sufficient detail for expert review teams to substantiate the implementation of the Annex I Party's commitments.

13. Upon request, the expert review team shall guarantee that the data will be treated with professional secrecy and maintained confidential, if an Annex I Party discloses confidential information to the expert review team.

Role of the secretariat

14. The secretariat shall:

(a) Support the review process, including the pre-commitment period review, annual and periodic review and annual compilation and accounting of emission inventories and assigned amounts;

(b) Conduct, under the direction of the expert review team, a standardized set of data analyses and comparisons to be performed on the basis of the electronic common reporting format (CRF) submissions to be used in the review process;

(c) Forward to the expert review teams national reports submitted by Annex I Parties;

(d) Publish all expert review team reports;

---

[6] The procedures for the handling of confidential information may be further elaborated by the COP/MOP.

(e) List those questions of implementation identified by the expert review team in the final review report;

(f) Coordinate activities of the expert review team;

(g) Perform any other functions specified in these guidelines.

D. Timing and procedures

1. Review prior to the first commitment period

15. Each Annex I Party shall be subject to review prior to the first commitment period.

16. The expert review team shall review for each Annex I Party, prior to the first commitment period:

(a) The base year inventory for conformity with Article 5.2, including the adjustment procedure, if needed, in accordance with the procedures contained in part II of these guidelines;

(b) The calculation of the [initial] assigned amount pursuant to Articles 3.7 and 7.4, in accordance with the procedures contained in part III of these guidelines;

(c) The national system pursuant to Article 5.1, in accordance with the procedures contained in part IV of these guidelines;

(d) The inventory [and the supplementary information for the purpose of ensuring compliance with Article 3] for the most recent year, for conformity with requirements under Articles 5.2 and 7.1, in accordance with the procedures contained in part II of these guidelines;

(e) [Information provided for land-use, land-use change and forestry for conformity with requirements under Article 3.3, 3.4 and 5.2 in accordance with relevant decisions of the COP/MOP]

(f) The national registries pursuant to Article 7.4, in accordance with the procedures contained in part V of these guidelines;

(g) [Projects under Article 6, pursuant to relevant decisions of the COP/MOP, in accordance with the procedures contained in part VI of these guidelines;]

(h) [The national communication [including, *inter alia*, information related to Article 3.2 and 3.14], prepared in accordance with reporting guidelines adopted by the COP and the COP/MOP;]

17. For each Annex I Party, the elements specified in paragraph 16 (a) to [(g)][(h)] above, shall be reviewed in conjunction. An in-country visit shall be conducted as part of this review.

18. [Option 1: The national communication, i.e. the element specified in paragraph 16 (h) above, shall be reviewed at the same time as the elements specified in paragraph 16 (a) to [(g)] by the same team.]

[Option 2: The national communication, i.e. the element specified in paragraph 16 (h) above, shall be reviewed by a separate team from that which reviews the elements

specified in paragraph 16 (a) to [(g)][(h)] above. An in-country visit shall be conducted as part of this review.]

2. Annual review

19. Each Annex I Party shall be subject to an annual review of:

(a) The annual inventory including the national inventory report and the common reporting format (CRF) for conformity with Article 5.2, in accordance with the procedures contained in part II of these guidelines;

(b) [The necessary supplementary information for the purpose of ensuring compliance with Article 3 for conformity with Article 7.1 in accordance with the procedures contained in part II of these guidelines.]

(c) [Information provided on matters related to Article 3.2 and 3.14]

(d) Information on assigned amounts pursuant to Articles 3.7 and 7.4, in accordance with the procedures contained in part III of these guidelines;

(e) [Information provided for land-use, land-use change and forestry for conformity with requirements under Article 3.3 and 3.4 in accordance with relevant decisions of the COP/MOP]

(f) Changes in national systems in accordance with the procedures contained in part IV of these guidelines;

(g) [Changes in registries in accordance with the procedures contained in part V of these guidelines;]

(h) [Projects under Article 6, pursuant to relevant decisions of the COP/MOP, in accordance with the procedures contained in part VI of these guidelines;]

20. The annual review, including adjustment procedures as part of the review of the annual or base year inventory, shall be concluded within one year of the due date of submission of the information to be reported under Article 7.1.

21. Changes in national systems, the element specified in paragraph 19 (f) above, shall be subject to review as part of the annual review only if problems or significant changes have been identified by an expert review team or if the Annex I Party reports significant changes in its inventory report as defined in part III of these guidelines.

22. Elements described in paragraph 19 above shall be reviewed together for each Annex I Party by a single expert review team.

[3. Annual compilation and accounting of emissions inventories and assigned amounts

23. After the annual review and resolution of any compliance-related matters which affect the inventory and assigned amounts, the secretariat shall produce an annual compilation and accounting of emissions inventories and assigned amounts for each Party included in Annex I in accordance with part III bis of these guidelines.]

4. Periodic review

24. *Option 1*: Each Annex I Party shall be subject to at least three scheduled in-country periodic reviews for the first commitment period and thereafter of its national communication reported in accordance with the guidelines for the preparation of the information required under Article 7.1 of the Kyoto Protocol in accordance with part VII of these guidelines. These reviews shall be scheduled before, during and after the commitment period.

Option 2: Each national communication submitted under the Kyoto Protocol by an Annex I Party shall be subject to a scheduled in-country periodic review in accordance with part VII of these guidelines.[7]

E. Expert review teams and institutional arrangements

Expert review teams

25. Experts of the expert review teams shall be drawn from the roster of experts. Experts of the expert review teams serve in their personal capacity and shall have recognized competence in areas to be reviewed according to these guidelines.

26. Parties shall nominate experts to the roster of experts according to the procedures for such nominations. The nominating Party should ensure that nominated experts have the adequate time, and as appropriate, the financial support to participate in the review.

27. Expert review teams for conducting the review of different Annex I Parties or different review tasks in accordance with the provisions of different parts of these guidelines, may differ in size and in composition, taking into account the national circumstances of the Party under review and the different expertise needs of each review task, in accordance with relevant decisions of the COP/MOP.[8]

28. Expert review teams for [all] [annual] reviews should be composed of experts from a standing group of review experts and experts selected on an ad hoc basis from the roster.

29. [Expert review teams [for periodic reviews] should be selected on an ad hoc basis from the roster of experts in accordance with the guidance on this matter of relevant decisions of the COP/MOP]. *(If this approach is endorsed, must be further elaborated.)*

---

[7] Article 7.3 states that the COP/MOP shall determine the frequency of submission of national communications taking into account any timetable for submission of national communications decided upon by the COP. Decision 11/CP.4 requests Annex I Parties to submit a third national communication by 30 November 2001 and subsequent national communications on a regular basis, at intervals of three to five years, to be decided at a future session and that each of those national communications should be subject to an in-depth review coordinated by the secretariat.

[8] The COP may recommend a decision to the COP/MOP on this issue when the trial period established under decision 6/CP.5 is completed, when the COP adopts a final decision related to possible review guidelines of national communications as considered in the conclusions of the SBI at its tenth session (FCCC/SBI/2000/5, para. 24 (c) and when these guidelines for review under Article 8 of the Kyoto Protocol are completed, see also annex I above, page 13, paragraph 4.

Standing group of review experts

30. A standing group of review experts is hereby established in order to provide experts for the review teams needed to conduct reviews under these guidelines. The composition, criteria for selection, responsibilities and operational arrangements of the standing group of review experts are established in accordance with relevant decisions of the COP/MOP. Experts of the standing group of review experts are nominated by Parties and shall be drawn from the roster of experts. Members of the standing group of review experts serve in their personal capacity and shall have recognized competence in areas to be reviewed under these guidelines. Experts of the standing group of review experts provide permanent service on review tasks.

31. The constitution of the standing group of review experts shall be guided by the following principles: capacity, independence and geographical balance of their members.

32. To provide that the above-mentioned principles are consistently applied, it shall be ensured that:

(a) Experts are selected on the basis of their own capacity;

(b) Relevant complementary training is provided to such experts;

(c) A process for certifying the competence of the experts on relevant issues is established.

(d) Funding for such experts is managed in such a way as to avoid any links between the experts and Parties providing financial resources.

F. Reporting

33. Review reports for each Annex I Party shall follow a comparable format and outline as set out in paragraph 34 and include the specific elements described in parts II to VII of these guidelines.

34. All review reports prepared by the expert review team should include the following elements:

(a) An introduction and summary;

(b) A description of the technical assessment of each of the elements to be reviewed according to the relevant sections on the scope of the review in parts II to VII of these guidelines, including:

(i) A description of the technical assessment of the reviewed element;

(ii) A description of any potential problems in, and factors influencing, the fulfilment of commitments identified during the review;

(iii) Any recommendations provided by the expert review team to solve the problems;

(iv) A description of how the Annex I Party addressed the problems identified by the expert review team during the current or previous reviews [and how

previous recommendations of [the COP/MOP and the compliance committee] have been followed.]

(v) Any resulting questions of implementation of the commitments under the Kyoto Protocol [thereby distinguishing between mandatory and non-mandatory elements];

(c) Possible recommendations by the expert review team on the conduct of the review in subsequent years, including which parts may be considered in depth;

(d) Information on any other issue of concern that has been identified and deemed relevant by the expert review team;

(e) A description of the information and the sources of information used in the formulation of the final report.

35. [The report should also list problems where, for example:

(a) A problem was listed in a previous review, [the COP/MOP or the compliance committee] made a recommendation and the expert review team is of the view that the Annex I Party did not take sufficient action to follow that recommendation;

(b) Unsatisfactory additional information and responses were provided to the expert review team's questions by the Annex I Party, resulting in outstanding questions.]

36. *Option 1:* For the review prior to the commitment period, for each Annex I Party, a single report on the review of the elements described in paragraph 16(a) to [(g)][(h)] above, [and the national communication, i.e. the element specified in paragraph 16 (h) above] shall be produced.

Option 2: For the review prior to the commitment period, for each Annex I Party, a [single] report on the review of the elements described in paragraph 16(a) to (g) above and a separate report on the review of the national communication, i.e. the element specified in paragraph 16 (h) above, shall be produced.

37. For the annual review, for each Annex I Party, a report on the annual review of the elements in paragraph 19shall be produced in accordance with parts II, III and IV [, V and VI] of these guidelines. A status report after the initial check of the annual inventory shall be prepared separately.

38. [For the annual compilation and accounting of emissions inventories and assigned amounts, for each Annex I Party, a report shall be produced.]

39. For the periodic review, for each Annex I Party, a report on the review of the national communication shall be produced.

40. Following their completion, final review reports [, including initial checks on annual inventories and reports on the annual compilation and accounting of assigned amounts,] shall be published by the secretariat.

41. Following their completion, final review reports [, including initial checks on annual inventories and reports on the annual compilation and accounting of assigned amounts,] shall be forwarded through the secretariat to [the COP/MOP and the compliance committee] and the Party concerned.

PART II: REVIEW OF ANNUAL INVENTORIES

A. Purpose

42. The purpose of the review of Annex I Parties' annual[9] inventories is:

(a) To provide an objective,[10] consistent, transparent, thorough and comprehensive technical assessment of greenhouse gas (GHG) inventories for conformity with the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*[11] as elaborated by the Intergovernmental Panel on Climate Change (IPCC) report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*[12] and any good practice guidance adopted by the COP/MOP, and with the guidelines for the preparation of the information required under Article 7, section I;

(b) To assess if adjustments under Article 5.2 may be needed and, if so, to calculate adjustments in accordance with relevant decisions of the COP/MOP relating to Article 5.2 of the Kyoto Protocol;

(c) To ensure that [the COP/MOP and the compliance committee] have reliable information on each Annex I Party's [greenhouse gas emissions by sources and removals by sinks] [compliance with Article 3 as provided for in the guidelines for the preparation of the information required under Article 7, section I].

B. General procedures

43. The review should cover:

(a) The annual[13] inventory, including the national inventory report and the common reporting format (CRF);

(b) Supplementary information under Article 7.1 reported according to the guidelines for the preparation of the information required under Article 7, section I, with the exception of section I.E;[14]

44. The annual inventory review shall consist of two elements:

(a) Initial check by the expert review team, with the assistance of the secretariat;

(b) Individual inventory review by the expert review team.

---

[9] See footnote 1.

[10] See footnote 1.

[11] In these guidelines the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* are referred to as the IPCC Guidelines.

[12] In these guidelines the IPCC report entitled *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* is referred to as the IPCC good practice guidance.

[13] See footnote 1.

[14] Information submitted according to section I.E of the guidelines for preparation of the information required under Article 7 "Information on [assigned amount] [ERUs, CERs and [AAUs][PAAs]]" is reviewed in accordance with part III. (ERU: emission reduction unit; CER: certified emission reduction; AAU: assigned amount unit; PAA: part of assigned amount)

45. The individual inventory review shall occur in conjunction with the review of assigned amount, changes in national systems, [changes in national registries], [projects under Article 6] as set out in part I of these guidelines.

46. The base year inventory shall only be reviewed once prior to the commitment period and adjusted if appropriate. [During the commitment period, the base year inventory shall be reviewed if it has been subject to recalculation.]

47. Each Annex I Party shall be subject to at least one in-country visit by an expert review team during the commitment period as part of its annual review. In years when an in-country visit is not conducted, the annual review should be conducted as a desk review.

48. In-country visits should be scheduled, planned and take place with the consent of the Annex I Party subject to review. The scheduled in-country visits of Annex I Parties shall be evenly distributed over the course of the commitment period.

49. In years when an in-country visit is not scheduled, an expert review team can request an in-country visit if it believes, based on the findings of the desk review, that such a visit is necessary to allow for fuller investigation of a potential problem that the team has identified, subject to the consent of the Annex I Party. The expert review team shall provide a rationale for the additional country visit and shall compile a list of questions and issues to be addressed during the country visit to be sent to the Annex I Party in advance of the visit.

50. If an unscheduled in-country visit occurs, then the expert review team may recommend that a pending scheduled in-country visit is not necessary.

51. The scheduled in-country visit may occur in conjunction with the periodic review or in a different year, in accordance with the agreement between the Annex I Party, the expert review team and the secretariat.

C. Initial checks of annual inventories

Scope of the review

52. The expert review team shall conduct an initial check as a desk review to examine that each Annex I Party has submitted a consistent, complete and timely annual inventory, including the national inventory report and the common reporting format (CRF) and that data contained in the CRF are complete and in the correct format to enable subsequent review stages to occur.

53. The initial check shall [:

(a) Identify gaps, problems or inconsistencies in the inventory data or documentation for clarification by the Annex I Party during the individual inventory review;

(b) Identify [first order] problems;

(c) Determine promptly if the submission is complete and if information has been provided in the correct format in accordance with reporting guidelines on annual inventories.

54. The assessment of completeness, in accordance with paragraph 53 above, will] determine if:

(a) All sources, sinks and gases included in the IPCC Guidelines and any good practice adopted by the COP/MOP are reported and any gaps explained, where gaps should include empty cells in the CRF and/or frequent resort to the notation keys NE (not estimated), NA (not available) etc. in completing the CRF;

(b) Methodologies are documented;

(c) Estimates for carbon dioxide (CO_2) emissions from fossil fuel combustion are reported using the IPCC reference approach, in addition to estimates derived using national methods;

(d) Estimates for hydrofluorocarbon, perfluorocarbon and sulphur hexafluoride emissions are reported by individual chemical species.

Timing[15, 16]

55. The status report of the initial check for each Annex I Party shall be finalized [2][6][8][10][12] weeks from the submission due date to be used in the individual inventory review.

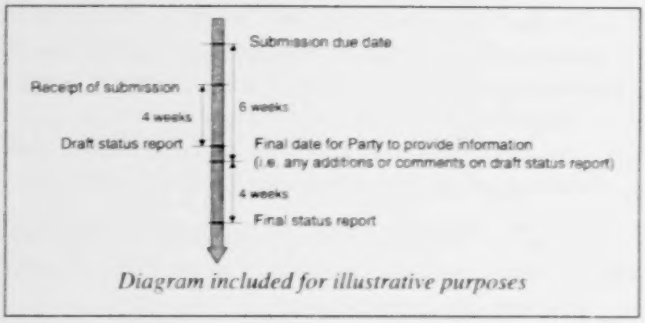


Diagram included for illustrative purposes

56. The initial check for each Annex I Party shall be performed and a draft status report shall be completed within [4] weeks after the receipt of the annual inventory and sent to the Annex I Party for comment. The secretariat shall immediately notify the Annex I Party concerned of any omissions or technical format problems identified in the initial check.

57. Any information, corrections, additional information or comments on the draft status report received from the Annex I Party within [6] weeks of the submission due date shall be subject to an initial check and shall be covered in the final status report. A delay in the submission of the annual inventory shortens the time available for the Annex I Party to comment on the draft status report. A delay in the preparation of the draft status report shall not shorten the time available for the Annex I Party to comment on the draft status report.

Reporting

58. The status report shall include, *inter alia*:

(a) The date of receipt of the inventory submission by the secretariat;

(b) An indication whether the annual inventory, including the national inventory report and the CRF, has been submitted;

---

[15] The detailed time-frames in paragraphs 56 and 57 could be deleted, provided that a process is put in place to complete those time-frames after the trial period for technical review of inventories, see annex II, page 13, paragraph 4, of this document.

[16] For review prior to the commitment period, the time-frames for the initial check may serve as an indication.

(c) An indication whether any source category or gas of a source category is missing and, if so, an indication of the magnitude of the likely emissions of that source category or gas, [if possible] relative to the last inventory for which the review has been completed;

(d) [Unexplained apparent data inconsistencies.]

D. Individual inventory reviews

Scope of the review

59. The individual inventory review shall, *inter alia*:

(a) Examine departures from the requirements of the IPCC Guidelines and the reporting guidelines on annual inventories and relevant decisions of the COP/MOP;

(b) Examine whether the IPCC good practice guidance and any other good practice guidance adopted by the COP/MOP was applied and documented, in particular noting the identification of key source categories, selection and use of methodologies and assumptions, development and selection of emission factors, collection and selection of activity data, reporting of consistent time-series, reporting of uncertainties related to inventory estimates and methodologies used for estimating those uncertainties;

(c) Compare emission or removal estimates, activity data, implied emission factors and any recalculations with data from previous submissions of the Annex I Party to identify any irregularities or inconsistencies;

(d) Compare the Annex I Party's activity data with relevant external authoritative sources, if feasible, and identify any inconsistencies;

(e) Assess the consistency of information in the common reporting format with that in the national inventory report;

(f) Assess the extent to which issues and questions raised by expert review teams in previous reports have been addressed and resolved;

(g) Recommend possible ways in which of improving methodologies and the reporting of inventory information.

(h) [Assess compliance with Article 3.2 and 3.14]

60. The expert review team may use relevant technical information in the review process, such as information from international organizations and other sources.

Identification of problems

61. The individual inventory review shall identify [first order] problems, identify problems for which adjustments under Article 5.2 would be appropriate and initiate procedures for calculation of adjustments.

62. Problems should be identified as a failure to follow agreed guidelines under Article 5.2 in preparing greenhouse gas inventories, as a failure to follow the guidelines for the preparation of the information required under Article 7, section I [and as a failure to follow agreed

methodologies for estimating and reporting activities under Article 3.3 and 3.4 as adopted by the COP/MOP]. These may be further subdivided as problems of:

(a) [Implications for total aggregated inventory estimates, trends or the base year inventory, including all inventory problems that lead to overestimation of base year emissions or underestimation of emissions in the commitment period;]

(b) Transparency, as defined in the UNFCCC reporting guidelines on annual inventories,[17] including:

(i) Inadequate documentation and description of methodologies, assumptions and recalculations;

(ii) Failure to disaggregate national activity data, emission factors and other factors used in national methods at the required level;

(iii) Failure to provide justifications for recalculations, references and information sources for key factors and data;

(c) Consistency, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Failure to provide consistent time-series in accordance with the IPCC good practice guidance;

(ii) [Failure of recalculations to improve accuracy or completeness;]

(d) Comparability, as defined in the UNFCCC reporting guidelines on annual inventories, including failure to use agreed reporting formats;

(e) Completeness, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Gaps in the inventory estimates for source categories or gases;

(ii) Inventory data that do not provide full geographic coverage of sources and sinks of an Annex I Party;

(iii) Failure to provide full coverage of sources in a source category;

(f) Accuracy, as defined in the UNFCCC reporting guidelines on annual inventories, including:

(i) Failure to provide estimates of uncertainties;

(ii) Inappropriate estimation of uncertainties;

---

[17] Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: *UNFCCC reporting guidelines on annual inventories* (document FCCC/CP/1999/7) or any subsequent revision of these guidelines by the COP.

(g) Timeliness of submission of information, according to the time-frames established in these guidelines and relevant decisions of the COP/MOP.

63. Problems should, to the extent possible, only be described in terms of one of the categories above.

64. [Failure to provide information related to Article 3.2 and 3.14.]

65. For each problem, the expert review team shall calculate, where possible, the magnitude of the part of the emissions estimate affected by the problem expressed in terms of CO_2 equivalent and, where available, as a proportion of the total base year inventory.

Timing[18]

66. The individual inventory review, including adjustment procedures, shall be concluded within one year of the due date of submission of the information to be reported under Article 7.1.

67. The expert review team shall list all problems identified, indicating which would need an adjustment, and send this list to the Annex I Party no later than [25] weeks from the submission due date of the annual inventory, if the inventory was submitted at least [x][19] weeks after the submission due date.

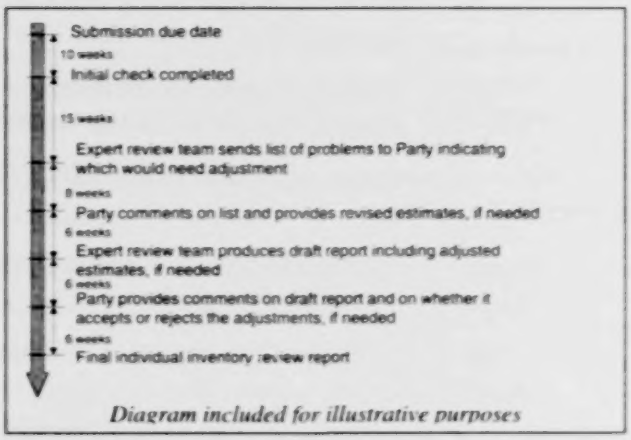

Submission due date
10 weeks
Initial check completed
15 weeks
Expert review team sends list of problems to Party indicating which would need adjustment
8 weeks
Party comments on list and provides revised estimates, if needed
6 weeks
Expert review team produces draft report including adjusted estimates, if needed
6 weeks
Party provides comments on draft report and on whether it accepts or rejects the adjustments, if needed
6 weeks
Final individual inventory review report

Diagram included for illustrative purposes

68. The Annex I Party shall comment on these questions within [8] weeks and, where appropriate, may provide revised estimates.

69. The expert review team shall prepare a draft individual inventory review report, which includes, where appropriate, adjusted estimates calculated according to guidance under Article 5.2 within [6] weeks of the receipt of the comments on the questions posed.

70. The Annex I Party shall comment on the draft individual inventory review report and, where appropriate, on whether it accepts or rejects the adjustment within [6] weeks.

71. The expert review team shall prepare a final individual inventory review report within [6] weeks of the receipt of the comments on the draft report.

72. [If an Annex I Party during the above steps is able to comment earlier than in the above given time-frames, the Annex I Party may use the saved time to comment on the revised final report. A total of four additional weeks to comment may be granted to Parties whose national language is not one of the United Nations official languages.]

---

[18] The detailed time-frames in paragraphs 67 to 72 could be deleted, provided that a process is set to complete those after the trial period for technical review of inventories, see paragraph 4, page 13 of this document.

[19] Insert number from paragraph 55 once agreed.

Procedures for adjustments under Article 5.2

73. Adjustments referred to in Article 5.2 of the Kyoto Protocol should only be applied when inventory data submitted by Parties included in Annex I to the Convention are found to be incomplete and/or are calculated in a way that is not consistent with the IPCC Guidelines as elaborated by the IPCC good practice guidance and any good practice guidance adopted by the COP/MOP.

74. Adjustments shall be calculated in accordance with any guidance under Article 5.2 adopted by the COP/MOP.

75. The procedure for the calculation of adjustments should be as follows:

(a) During the individual inventory review, the expert review team shall identify problems to which the criteria in the guidance for adjustments under Article 5.2 apply. The expert review team shall officially notify the Annex I Party of the reason why an adjustment is considered necessary and provide advice on how the problem could be corrected;

(b) The adjustment procedure should only commence after an Annex I Party has had opportunities to correct a problem and if the expert review team finds that an Annex I Party has not adequately corrected the problem through the provision of an acceptable revised estimate, in accordance with the time-frame set out in paragraph 68 above;

(c) The expert review team shall calculate adjustments in accordance with guidance under Article 5.2, in consultation with the Annex I Party concerned and within the time-frame set out in these guidelines;[20]

(d) [Adjustments for any unresolved problems may not be calculated or applied, if

(i) The underlying problem is [first order]; or

(ii) In total, the adjustments exceed [x] per cent of the total inventory in a particular year.]

(e) The expert review team shall officially notify the Annex I Party concerned of the calculated adjustment(s) within the time-frame set out in these guidelines. This notification shall describe the assumptions, data and methodologies used to calculate the adjustment(s), as well as the value of the adjustment(s);

(f) Within the time-frame set out in these guidelines, the Annex I Party concerned shall notify the secretariat of its intention to accept or reject the adjustment(s), with its rationale. Failure to respond by this date shall be considered as acceptance of the adjustment(s), as follows:

(i) If the Annex I Party accepts the adjustment(s), the adjusted estimate(s) shall be used for the purpose of compilation and accounting of emissions inventories and assigned amounts;

---

[20] Special arrangements in the composition of the expert review teams may be needed for the case where an adjustment needs to be calculated. This may be addressed in the context of a possible decision on the institutional arrangements of the expert review teams, see annex II, page 14, paragraph 6, of this document.

(ii) If the Annex I Party does not accept the adjustment(s) it should send a notification to the expert review team, including its rationale, and the expert review team should send the notification along with its recommendation to [the COP/MOP and the compliance committee].

76. An Annex I Party may submit a revised estimate for a part of its inventory of a year of the commitment period to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012.

77. [An Annex I Party may submit a revised estimate for a part of its base year inventory to which an adjustment was previously applied, provided that the revised estimate is submitted, at the latest, in conjunction with the inventory for the year 2012.]

78. The revised estimate will replace the adjusted estimate subject to review under Article 8 [with the authorization of [the COP/MOP or the compliance committee]]. The option for an Annex I Party to submit a revised estimate for a part of its inventory to which an adjustment was previously applied should not prevent Annex I Parties from making best efforts to correct the problem at the time it was initially identified and in accordance with the time-frame set forth in the guidelines for review under Article 8.

Reporting

79. The final individual inventory review report shall follow the outline set out in paragraph 34 and shall include the following specific elements, where relevant:

(a) A general description of the inventory, including a description of emission trends, key sources and methodologies and a general assessment of the inventory;

(b) Identification [and classification] of inventory problems according to the categories listed in paragraph 62 and a description of factors influencing the Annex I Party's fulfilment of its inventory-related obligations;

(c) Information on adjustments, if applicable, including, *inter alia*,

(i) The original estimate, if applicable;

(ii) The underlying problem;

(iii) The adjusted estimate;

(iv) The rationale for the adjustment;

(v) The assumptions, data and methodology used to calculate the adjustment;

(vi) A description of how the adjustment is conservative [and time consistent];

(vii) [The uncertainty associated with the adjustment];

(viii) The expert review team's identification of possible ways for the Annex I Party to address the underlying problem;

(ix) Adjustments as a share of the total GHG inventory for the year concerned;

(x) An indication whether the adjustment was agreed upon by the Annex I Party and the expert review team.

E. [Classification of first order problems

80. Problems found by the expert review team that persist after the Annex I Party has had opportunities to correct them shall be classified.

81. Problems shall be classified as [first order] or [other].[21]

82. The following problems should be classified as [first order] and should be identified after the initial check:

(a) Failure to submit an annual inventory, including the national inventory report and the common reporting format, by the due date or within [x][22] weeks of the due date if, in advance, the secretariat was notified by the Annex I Party that its submission would be late;

(b) [Failure to submit estimates for a source category, as defined in chapter 7 of the IPCC good practice guidance agreed by the COP, that individually accounts for [x] per cent or more of the Annex I Party's total GHG emissions for the most recent year in the latest submitted inventory containing an estimate for the respective source category;]

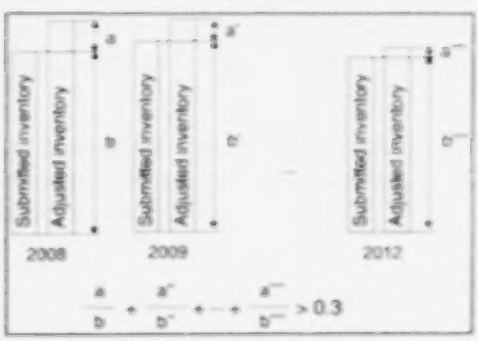
(c) [Unexplained, apparent data inconsistencies, including inconsistencies with previously submitted inventories and inconsistencies between different parts of the inventory, where a particular inconsistency accounts for more than [x] per cent of the total inventory estimate;]

(d) [Failure to submit information on one or more sections provided for in the guidelines for the preparation of information required under Article 7, section I;].

83. The following problems should be classified as [first order] and should be identified during the individual inventory review:

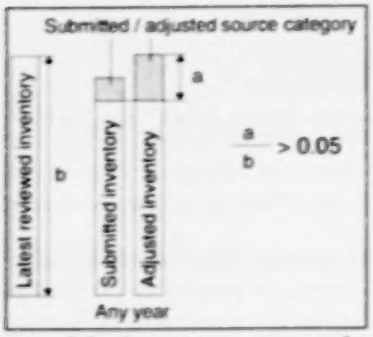
(a) The sum of the percentage difference for each year between the Party's adjusted annual inventory and its submitted annual inventory, relative to the submitted inventory, exceeds [x];

(b) Gaps in the inventory estimates for source categories (or lack in coverage of sources) would lead to adjustments altogether exceeding [5] per cent of the total submitted inventory;



[21] Any classification by the expert review team does not prejudice the judgment of [the COP/MOP or the compliance committee].

[22] Insert number from paragraph 55 of once agreed.



(Diagrams have been added for illustrative purposes only.)

(c) The proportion of the inventory subject to an adjustment is more than [x] per cent of the total GHG inventory for the most recent inventory for which a review has been completed;

(d) Data inconsistencies, including inconsistencies with previously submitted inventories or between different parts of the inventory, occur, where a particular inconsistency accounts for more than [x] per cent of the total inventory estimate;

(e) Methodological problems relating to inventory estimates in one or several sources categories would account altogether for more than [5] per cent of the total GHG inventory estimate for a particular year;

(f) There is repetition of either a methodological problem or a gap related to a "key source" category identified in a previous inventory;

(g) [Need for an adjustment for the same source category in three consecutive years;]

(h) [Inadequate information for one or more sections provided for in the guidelines for the preparation of information required under Article 7, section I.]]

(Once the options have been agreed for the above paragraphs, it will be necessary to clarify the language; for example 'methodological' problems may need definition, it needs to be specified that percentages relate to totals of emissions from sources listed in Annex A of the Kyoto Protocol.)

[PART III: REVIEW OF INFORMATION ON ASSIGNED AMOUNTS

A. Purpose

84. The purpose of the review of information on assigned amounts is to ensure that [the COP/MOP and the compliance committee] have adequate information on assigned amounts.

B. General procedures

85. The review of information on assigned amounts shall take place in conjunction with the annual inventory review.

86. The expert review team shall review the information on assigned amounts as a centralized desk exercise.

C. Scope of the review

87. The review of information on assigned amounts shall cover:

(a) Issuance and cancellation of assigned amounts with respect to Article [3.3, 3.4 and] 3.7;

(b) Transfers and acquisitions under Articles [4,] 6, 12 and 17;

(c) Retirement of assigned amount units;

(d) Total [holdings] of assigned amounts in the national registry;

(e) [Banked] [assigned amount units][parts of assigned amount] at the end of the true-up period in accordance with Article 3.13.

Identification of problems

88. The expert review team shall:

(a) Check if information is complete and submitted in accordance with the guidelines for the preparation of information required under Article 7, section I, and relevant decisions of the COP;

(b) Check that issuance of assigned amount pursuant to Article 3.7 and 3.8 is calculated in accordance with requirements under Article 7.4, is consistent with reviewed and adjusted inventory estimates, is consistent with information submitted in previous years and is serialized in conformity with procedures under Article 7.4;

(c) Cross-check the reported information on transfers and acquisitions between Parties [and highlight any discrepancies];

(d) [Assess the issuance and cancellation of assigned amounts under Article 3.3 and 3.4 reported in accordance with methodologies under that Article;]

(e) [Check that issuance and cancellation of assigned amount pursuant to Article 3.3 and 3.4 is calculated in accordance with requirements under Article 7.4, is consistent with reviewed and adjusted inventory estimates and is serialized in conformity with procedures under Article 7.4.]

D. Timing

89. During the review of the information on assigned amounts, the expert review team shall identify problems and shall notify the Annex I Party of the problems. The Annex I Party may correct the problems or provide additional information within the time-frame set out in these guidelines (see paragraphs 66to 72).

E. Reporting

90. The information on the review of information on assigned amounts shall be integrated into the annual review report for each Annex I Party, which is published by the secretariat and forwarded to [the COP/MOP and the compliance committee] and the Party concerned.]

[PART III BIS. ANNUAL COMPILATION AND ACCOUNTING OF EMISSION INVENTORIES AND ASSIGNED AMOUNTS

(Without prejudice to the placement of this part, annual compilation could be a separate part of Article 8 guidelines, included in part I or in modalities for accounting of assigned amount under Article 7.4)

A. Purpose

91. The purpose of the annual compilation and accounting of emissions inventories and assigned amounts is to ensure that [the COP/MOP and the compliance committee] have [adequate][thorough and comprehensive] information on emissions inventories and assigned amounts for each year of the commitment period.

B. General procedures

92. The annual compilation and accounting of emissions inventories and assigned amounts shall occur for each Annex I Party after its individual inventory and assigned amount reviews have been completed and after resolution of any compliance-related matters which affect the inventory and assigned amounts.

93. The secretariat shall establish a database to compile and account for the emissions and assigned amount of Parties. The secretariat shall maintain a separate account for each Party included in Annex I for each commitment period.

94. The information maintained in each Party's commitment period account shall be used for determining compliance with Article 3.1 commitments upon expiration of the true-up period. Determination of compliance shall be based on comparison of the Party's cumulative emissions over the commitment period from the sectors and source categories specified in paragraph 95 (c) below with the Party's total assigned amount retired for the commitment period as specified in paragraph 97 (1) below.

C. Scope

95. The secretariat shall record in each Annex I Party's account the following information in units of CO_2 equivalent:

(a) Aggregate annual emissions of greenhouse gases and from sectors and source categories listed in Annex A to the Protocol for each year of the commitment period that has been subject to an annual review;

(b) Any adjustments under Article 5.2 applied for each year, recorded as the difference between the adjusted estimate and the submitted inventory estimate;

(c) Cumulative emissions of greenhouse gases listed in Annex A to the Protocol in the commitment period calculated as the sum of the amounts defined in subparagraphs (a) and (b) above for all years of the commitment period that have been subject to an annual review;

96. [Additionally, when a Party has issued or cancelled assigned amount pursuant to Article 3.3 or 3.4, the secretariat shall record in the Party's account the following inventory information in units of CO_2 equivalent:

(a) Greenhouse gas emissions or removals under Article 3.3 and 3.4;

(b) Any adjustments to Article 3.3 or 3.4 estimates, recorded as the difference between the adjusted estimate and the submitted estimate.]

97. The secretariat shall record in each Party's account the following assigned amount information:

(a) [Initial] assigned amount established pursuant to Article 3.7 and 3.8;

(b) Any assigned amount carried over from the previous commitment period pursuant to Article 3.13;

(c) [Any assigned amount issued pursuant to Article 3.3 or 3.4;]

(d) [Any assigned amount cancelled pursuant to Article 3.3 or 3.4;]

(e) Any assigned amount acquired pursuant to Articles [4,] 6,12 or 17;

(f) Any assigned amount transferred pursuant to Articles [4,] 6 or 17;

(g) Total assigned amount, calculated as the sum total of the amounts defined in subparagraphs (a)-(f) above;

(h) Any assigned amount retired each year;

(i) Total assigned amount retired during the commitment period.

98. Where a Party has submitted recalculated estimates of emissions or removals for a previous year or years of the same commitment period, the secretariat shall, subject to review under Article 8 [with the authorization of [the COP/MOP or the compliance committee]], amend a Party's annual aggregate greenhouse gas emissions from the previous year(s) and, where relevant, remove an adjustment that was previously applied.

99. At the end of the true-up period, the secretariat shall conduct the final compilation and accounting of emissions inventories and assigned amounts.

100. Upon expiration of the true-up period, the secretariat shall, at the request of a Party, remove any assigned amount in excess of the Party's aggregate emissions from sources listed in Annex A during the commitment period from the Party's current account, and record the assigned amount in the Party's account for the subsequent commitment period pursuant to Article 3.13.

D. Reporting

101. For each Annex I Party, a report on the annual compilation and accounting of emissions inventories and assigned amounts shall be produced and forwarded to [the COP/MOP and the compliance committee] and the Party concerned.

102. A single report on the final compilation and accounting of assigned amounts shall be published after the end of the true-up period and forwarded to [the COP/MOP and the compliance committee].]

PART IV: REVIEW OF NATIONAL SYSTEMS

A. Purpose

103. The purpose of the review of national systems is:

(a) To provide a thorough and comprehensive technical assessment of the capacity of a national system and the adequacy of its institutional, legal and procedural arrangements to produce an inventory of anthropogenic emissions by sources and removals by sinks in conformity with Article 5.2;

(b) To assess the extent to which the guidelines for national systems under Article 5.1 have been adhered to, especially any mandatory elements, and to assist Annex I Parties in meeting their commitments under Article 5.1;

(c) To provide [the COP/MOP and the compliance committee] with reliable information on the adequacy of information on national systems established under Article 5.1;

(d) To enable [the COP/MOP and the compliance committee] to assess compliance with Article 3 and to provide the COP/MOP with adequate information to perform its functions.

B. General procedures

104. The review of national systems shall take place in two parts:

(a) A thorough review of the national system conducted in-country;

(b) A desk review of any reported changes in the national system reported since the first thorough review, conducted in conjunction with the annual inventory review.

105. A thorough review of national systems should be conducted as an in-country visit as part of the pre-commitment period review.

106. The review of national systems shall be conducted through appropriate means such as interviews with personnel involved in inventory planning, preparation and management, and through examination of relevant records and documentation, including use of the inventory CRF and preparation of the national inventory report.

107. Based on any findings during the individual inventory review and on findings related to reported changes in national systems considered by the expert review team to be potentially significant in relation to an identified problem in the Party's inventory, the expert review team may request an additional country visit to review the relevant components of the national system in conjunction with an in-country inventory review.

C. Scope of the review

In-country review

108. The expert review team shall conduct a thorough and comprehensive review of each Annex I Party's national system. The review of national systems should cover:

(a) Activities undertaken by the Party to implement, and performance of, mandatory general functions described in paragraph 10 of the guidelines for national systems,[23] and mandatory specific functions related to inventory planning, preparation and management in accordance with paragraphs 12, 14 and 16 of those guidelines;

(b) Activities undertaken by the Party to implement, and performance of, functions related to inventory planning, preparation and management as specified in non-mandatory language in paragraphs 13, 15 and 17 in the guidelines for national systems;

(c) Reported and archived information on national systems in accordance with guidelines under Articles 5.1 and 7, including plans and internal documentation related to the functions mentioned in subparagraphs (a) and (b) above.

109. The expert review team shall assess, on the basis of the information submitted under Article 7, and additional information gathered during the in-country visit, whether the Party has performed the general and specific functions related to inventory planning, preparation and management referred to in paragraph 108 above, and, if so, whether those functions were performed adequately.

110. The assessment of the inventory preparation functions shall be further based on the most recent annual inventory, including the national inventory report and the common reporting format, and its consistency with IPCC good practice guidance.

111. The assessment as to whether the archived inventory information is adequate shall be further made on the basis of an assessment of the completeness of archived information for a sample of source categories chosen by the expert review team, which includes some key source categories, defined in accordance with IPCC good practice guidance.

Review of changes in national system

112. Any changes in the functions of the national systems reported by Annex I Parties or identified by the expert review team during the in-country visit that may affect the preparation of greenhouse gas inventories in conformity with Article 5.2 and the guidelines for national system should be reviewed annually in conjunction with the annual inventory review. The scope of such a review shall follow the scope set out for the in-country review according to paragraphs 108 to 111 above.

---

[23] The guidelines for national systems for the estimation of anthropogenic greenhouse gas emissions by sources and removals by sinks under Article 5.1 of the Kyoto Protocol are referred to as "guidelines for national systems" in this document. The full text of those guidelines can be found in document FCCC/SBSTA/2000/5 (annex I).

Identification of problems

113. Based on the assessment carried out according to paragraphs 108 to 111 above, expert review teams shall identify any potential problems in, and factors influencing, the fulfilment of commitments related to the functions of national systems according to paragraphs 10 to 17 of the guidelines for national systems. This provision shall apply for both in-country reviews and reviews of changes in national systems.

D. Timing

114. The process of the in-country review shall follow the timetable for the review of the Party's national communication defined in part VII of these guidelines. The process of review of changes in the national system shall follow the timetable for the review of national inventories defined in part II of these guidelines. The preparation of the reports should also follow these respective timetables.

E. Reporting

115. The final national system review report shall follow the outline set out in paragraph 34 and shall include the following specific elements:

(a) An evaluation of the overall organization of the national system, including discussion of the effectiveness and reliability of the institutional, procedural and legal arrangements for estimating GHG emissions;

(b) A technical assessment of the performance of each of the national system functions defined in paragraphs 10 to 17 of the guidelines for national systems, including an assessment of the system's strengths and weaknesses;

(c) Any recommendations by the review team for further improvement of the Party's national system.

116. The results of the review of changes in national systems shall be included in the individual inventory review report and, where relevant, should cover the same elements as specified for the national system review report in paragraph 115 (a) to (c) above.

PART V: REVIEW OF NATIONAL REGISTRIES

A. Purpose

B. General procedures

C. Scope of the review

117. The expert review team should assess:

(a) The extent to which the guidelines for national registries have been adhered to, especially any mandatory elements;

(b) Whether accounts have been established in the national registries for all legal entities.

D. Timing

E. Reporting

(to be elaborated)

[PART VI: REVIEW OF INFORMATION UNDER ARTICLE 6

A. Purpose

B. General procedures

C. Scope of the review

D. Timing

E. Reporting

(to be elaborated)]

PART VII: NATIONAL COMMUNICATIONS AND OTHER COMMITMENTS UNDER THE PROTOCOL

A. Purpose

118. The purpose of the guidelines on the review of national communications of Annex I Parties, including information reported under Article 7.2, is:

(a) To provide a thorough and comprehensive technical assessment of national communications and information reported under Article 7.2 of the Kyoto Protocol;

(b) To examine in an objective and transparent manner whether quantitative and qualitative information was submitted by Annex I Parties in accordance with reporting guidelines under Article 7.2 of the Kyoto Protocol;

(c) To promote consistency in the review of the information contained in the national communications, including information reported under Article 7.2, for Annex I Parties;

(d) To assist Parties included in Annex I to improve reporting of information under Article 7.2 and the implementation of their commitments under the Protocol;

(e) To provide information for [the COP/MOP and the compliance committee] on the implementation of commitments by Annex I Parties.

B. General procedures

119. Supplementary information under Article 7.2 shall be incorporated into the national communications and shall be reviewed as part of the review of the communications.

120. *(Once a choice has been made between the options contained in paragraph 24, the agreed text on when the national communications will be reviewed will be inserted here.)*

121. Prior to the in-country visit, the expert review team will conduct a desk review of the Party's national communication. The review team shall notify the Party concerned of any questions the team has regarding the national communication and of any focal areas for the in-country visit.

C. Scope of the review

122. The review of the national communication covers the national communication, including supplementary information reported under Article 7.2.

123. The individual review shall:

(a) Provide an assessment of the completeness of the national communication, including supplementary information reported under Article 7.2, in accordance with the reporting requirements under Article 7.2 and whether it was submitted on time;

(b) Provide for a detailed examination of each part of the national communication, as well as procedures and methodologies used in the preparation of the information, such as:[24]

(i) National circumstances relevant to greenhouse gas emissions and removals;

(ii) Policies and measures;

(iii) Projections and the total effect of policies and measures;

(iv) Vulnerability assessment, climate change impacts and adaptation measures;

(v) Financial resources and transfer of technology;

(vi) Research and systematic observation;[25]

(vii) Education, training and public awareness;

(c) Provide a detailed examination of supplementary information provided under Article 7.2:[26]

(i) [Supplementary information relevant to][Implementation of] Articles 6, 12 and 17;

(ii) Supplementary information relevant to Article 3;

(iii) [Joint fulfilment of commitments in accordance with Article 4;]

(iv) Policies and measures in accordance with Article 2;

(v) Domestic [programmes][legislative arrangements and enforcement and administrative procedures;]

(vi) [Information under Article 10;]

(vii) [Information under Article 11;]

(d) Identify any potential problems in and factors influencing, the fulfilment of commitments related to each part of the national communication and to the reporting of supplementary information under Article 7.2.

124. Common elements in paragraph 123 (b) and (c) are to be reviewed in conjunction.

---

[24] Headings of the national communication according to the UNFCCC reporting guidelines on national communications with the exception of "greenhouse gas inventory information", see document FCCC/CP/1999/7.

[25] Information provided under this heading includes a summary of the information provided on global climate observation systems.

[26] Headings of the guidelines for the preparation of the information required under Article 7, section II (see annex II to this document), with the exception of "National registries" and "National systems in accordance with Article 5.1", which are covered in parts IV and V of these guidelines.

Identification of problems

125. The problems identified during the assessment related to individual sections of the national communication, including supplementary information reported under Article 7.2, shall be identified as relating to:

(a) Transparency;

(b) Completeness;

(c) Timeliness.

D. Timing

126. If an Annex I Party expects difficulties with the timeliness of its national communication submission, it [shall][should] inform the secretariat before the due date of the submission. If the national communication then is not submitted within [2][6]][8][10][12] weeks after the due date, the delay shall be brought to the attention of [the COP/MOP and the compliance committee] and made public.

127. The individual review of national communications should be completed within two years of the national communication submission for each Annex I Party. [27]

128. If additional information is requested during the in-country visit, it may be provided by the Annex I Party within [2] weeks after the visit.

129. The expert review team for each Annex I Party shall, under its collective responsibility, produce a draft of the national communication review report following the format below to be finalized within [x] months after the in-country visit.

130. The draft of each national communication review report will be sent to the Annex I Party subject to review for comment. The Party should provide comments within [x] weeks of receipt of the draft report.

131. The expert review team shall produce the finalized national communication review report taking into account the Party's comments within [x] weeks of receipt of the comments.

E. Reporting

132. The final national communication review report shall follow the outline set out in paragraph 34 and shall include a technical assessment of the elements specified in paragraph 123 (b) and (c).

133. [The secretariat shall produce a report on the compilation and synthesis of national communications for all Annex I Parties in accordance with the decisions of the COP/MOP.]

- - - - -

[27] The detailed time-frames could be deleted, provided a process is established to complete them together with detailed time-frames for inventories after the trial period for technical review of inventories, see annex II, page 13, paragraph 4.